Automated Trust Fund Recovery (ATFR) – Privacy Impact Assessment

PIA Approval Date: May 27, 2008

System Overview

ATFR computes trust fund amounts to aid Collections in making assessments on taxpayers who are officers in companies owing Trust Fund taxes. If a business has failed to collect or pay these taxes [e.g., Federal Insurance Contribution Act (FICA) and withholding], or has failed to pay collected excise taxes, the unpaid liability is assessed by ATFR against the responsible person(s).

Systems of Records Notice (SORN):

- IRS 26.013–Trust Fund Recovery Cases
- IRS 34.037–The IRS Audit Trail and Security Records System.

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

The application design divides the application into two programs - the Area Office (AO) and the Compliance Center (CC).

A. Taxpayer – The ATFR application contains the following taxpayer information:
   AO Program/CCProgram
- Company records with a status of un-filed tax returns.
- Tax returns filed with a balance due.
- Outstanding payment amount.
- Corporate TINs (i.e., EIN, Social Security Number (SSN)) for flagged cases.
- Company name and name(s) of responsible company Officers.
- Module information for each case.
- Address, age and position within their company.
- Taxpayers who are fully or partially responsible to the assessment. (When a company does not respond to the assessments against it, the owners of the company or other responsible individuals are held personally accountable.)
- Amounts each taxpayer is responsible for paying or havehave paid toward the assessment.
- Financial account information.
- Status of unfiled cases.

B. Employee – During an employee's term as an ATFR user, ATFR collects the following authenticating information about the employees for the AO program from Desktop Integration (DI).
   AO Program
- Username
- RO employee number
- SEID

   CC Program
- SEID
- Password

C. Audit Trail Information –The ATFR audit logs capture the date the event occurred, unique identifier, type of event, and subject of event. The ATFR database audit logs capture the date and time an event occurred, server name, process identification, type of event, database instance, user id,

and success/failure of the event. A history log within ATFR-AO and ATFR-CC records all user activities. The ATFR-AO History Table logs the Date, LoginID, and History Text (description of the activity). The ATFR-CC History Table logs the Corporate TIN, Creation Date (date case was created), Date, Time, User Code (user id), Status Code (significant event that occurred), Description (description of event), and Transcript Date. The ATFR application does contain taxpayer information; however it does not store or process official tax records. ATFR does store and process a subset of taxpayer information that is obtained from ICS and IDRS to contain TINs, and financial account information. Audit trail records relevant to these transactions include the type of event, user id, date; and TIN, MFT, and tax period, where applicable.

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. IRS – ATFR stores and processes a subset of taxpayer information that is obtained from ICS, IDRS and transcript files from MF.
- ICS – The ATFR database receives a File Transfer Protocol (FTP) weekly from ICS. This file contains corporate TIN numbers for cases that have been flagged within the ICS system. A chron is set up to retrieve this information. (A chron is a necessary timed process done automatically by some chronological time.)
- IDRS - IDRS provides entity and module information for each case, known as Account Information Summary Download (AISDL). A Monitor Run process runs weekly on the database server and accesses IDRS for updated data. IDRS also accepts updates to IDRS records after payments are cross-referenced by the ATFR-CC component. (Legacy Access Protocol (LAP) Services from DI allows access to IDRS data. Additionally, the server must be registered in DI.)
- MF – MasterFile is a data repository of tax system records, located in Martinsburg. The ATFR database receives a FTP of Transcript files (Business and Individual Master Files).

B. Taxpayer – No information is directly collected from the taxpayer; all information used by ATFR is received from ICS, IDRS and MF.
- The AO component will use an internal process to calculate the amount of funds due including any associated Trust Fund Recovery Penalties (TFRP). Once the responsible person(s) is/are identified, a form and letter (2751 and 1153) are sent to the responsible person(s) describing the proposed TFRP assessment. The responsible party may be Not Liable, Liable but Uncollectible (Nonasserted), or Fully/Partially Responsible.
- If the responsible party is Not Liable, no action is taken. If the responsible party is Liable but Uncollectible, the RO will complete a Nonassertion Recommendation of Uncollectible TFRP (9327) and a Recommendation for TFRP Assessment (4183) and submit to Manager for approval.
- If the responsible party is Fully/Partially responsible, the responsible party can sign the form (2751) to indicate agreement with the proposed assessment, waiving the 60-day appeals period. If the responsible party signs the form (2751), the RO will complete a Request for TFRP Assessment (2749) and transmit to the ATFR-CC component immediately or when received within 60 days, and send a letter (1155) to the responsible party acknowledging that the case will proceed to assessment. A Control Point Monitoring (CPM) user quality control process is performed prior to submission of a proposed assessment to the CC component.
- If the responsible party protests the assessment, they write a letter and send it to the RO. The RO will send the protested proposal to Appeals and further decisions will be made by Appeals, and the RO will send a letter (1154) to the responsible party

informing them that a protest was received and is being sent to Appeals for consideration.

C. Employee
- AO Program
  - Username
  - RO employee number
  - SEID
- CC Program
  - SEID
  - Password

3. Is each data item required for the business purpose of the system? Explain.
Yes. ATFR only receives data that is required for the business purpose of the system. No "extra" data is imported. ATFR is designed to manage unpaid trust fund taxes from companies and officers.The use of the data in the system is both relevant and necessary to collect outstanding taxes owed by companies or their officers. When taxes are not collected from the company, ATFR then identifies which individual in the company is liable for the unpaid assessment. The data elements are described in detail in the Trust Fund Recovery (TFR).

4. How will each data item be verified for accuracy, timeliness, and completeness?
Checks for accuracy, completeness, and validity of information are accomplished by the application and guided by the business requirements. There are many screens on which these system accuracy, completeness, and validity checks are being performed. Information input consists of pre-defined drop-down lists and user required input. The pre-defined drop-down lists are implemented for all fields that lend themselves to prepared data. For manual input, the data is checked for valid syntax (e.g., character set, length, numerical range, acceptable values) and will be validated to ensure that inputs match specified definitions for format and content. For data imported from other systems, ATFR is dependent upon the validity checks that are completed for data input in those systems.

5. Is there another source for the data? Explain how that source is or is not used.
ATFR is an automation of a manual process. ATFR stores and processes a subset of taxpayer information that is obtained from ICS, IDRS and transcript files from MF. ATFR creates new data from the extracted information and populates its database with the following data:
- Individual responsible for paying trust fund taxes
- Individual's personal information (i.e., TIN, company name, taxpayer name, address, phone number.)
- How much money the debtor has paid
- How much money is still owed

Without the new data, ATFR would not be able to determine if the total assessment has been paid and the case has been resolved.

6. Generally, how will data be retrieved by the user?
Data is retrieved by TIN (i.e., EIN, SSN) or RO employee number. Data is accessed via queries on TINs or RO numbers, or via reports.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Yes. Data is retrieved by TIN (i.e., EIN, SSN) or RO employee number.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?

The ATFR user interface is physically separated from the ATFR database server. The application (ATFR-AO and ATFR-CC) and the database reside on separate servers. In addition, ATFR application users do not have direct access to the data in the ATFR database. Currently, there are approximately 5,000 ATFR-AO users and 50 ATFR-CC users. All ATFR users are internal IRS employees.

ATFR-AO Role: Revenue Officer (RO)
Permission: An RO has full access at the Area Office level on ATFR. An RO can work on the case assigned to him/her on ATFR and then submit the case for manager approval. The RO does not have access at any other level. An RO can view another RO's case; however, the RO cannot make changes to a case that is not assigned to him/her. An audit trail is activated when an RO views another RO's case.

ATFR-AO Role: Group Manager
Permission: At the Area Office level, a Group Manager can view only the RO's screen and has functional manager approval for 9327, 4183, and determinations. At the Manager level, a Group Manager receives the full working manager inventory screen. At the Address level, a Group Manager receives the full working address screen. At the User Profile level, a Group Manager receives the full working user profile screen. At the Inventory Control (CTRL) level, a Group Manager has limited access. At the Addcase level, a Group Manager has full access, where the program downloads data from IDRS and establishes a case on ATFR.

ATFR-AO Role: Acting Manager
Permission: At the Area Office level, an Acting Manager can get the RO screen, if a case is owned by the acting RO. If the case is not owned by the acting RO, the manager gets a view-only screen. The Acting Manager also receives Manager Approvals if a case would have gone to the manager for whom he/she is acting. At the Manager level, an Acting Manager receives the full working manager inventory screen. At the Address level, an Acting Manager receives the full working address screen. At the User Profile level, an Acting Manager receives the full working user profile screen. At the Inventory CTRL level, an Acting Manager has limited access. At the Addcase level, an Acting Manager has full access, where the program downloads data from IDRS and establishes a case on ATFR.

ATFR-AO Role: Revenue Officer (RO) Aide
Permission: At the Area Office level and RO Aide has full access on ATFR. An RO Aide can work on the case assigned to him/her on ATFR and then submit the case for manager approval. At the Addcase level, an RO Aide has full access, where the program downloads data from IDRS and establishes a case on ATFR.

ATFR-AO Role: Secretary
Permission: At the Area Office, a Secretary can only view a case. At the Addcase level, a Secretary has full access, where the program downloads data from IDRS and establishes a case on ATFR.

ATFR-AO Role: National Office (NO) /Region
Permission: The NO/Region can only view a case, manager inventory screen, address screen, user profile screen, and inventory control screen.

ATFR-AO Role: Collection Automation Coordinator (CAC)
Permission: The CAC can only view a case, the manager inventory screen, and the inventory control screen. The CAC receives a full working address screen and user profile screen.

ATFR-AO Role: Control Point Monitoring (CPM)
Permission: At the Area Office, the CPM receives the inventory of cases for his/her district where Form 2749 is generated. The CPM reviews the cases and then forwards the cases on to the SPC/CSC for assessment. The CPM can only view the manager inventory screen, address screen, user profile screen, and inventory control screen.

ATFR-CC Role: Tax Examiner (TE)
Permission: The TE assesses the cases, which are not automatically assessed. The TE can research/process/reject a case, add/delete a transaction, update assessment type, and view reports. The TE has access to the Employee Inventory and Employee Activity reports.

ATFR-CC Role: Manager
Permission: The Manager is responsible for managing the employees within the unit they are assigned. The Manager can research/assign a case, create/delete a user, update a user profile, set user permissions, and view reports. The Manager has access to the Assessment Statute Expiration Date (ASED), Transferred Employee, Manual Assessment, and Unassigned Inventory reports. (The Manager can also designate and revoke an Acting Manager to temporarily inherit the responsibilities of that Manager.)

ATFR-CC Role: System Manager
Permission: The System Manager is responsible for assigning the managers to a unit in the Ogden Service Center. The System Manager has access to every unit within that service center. The System Manager can assign/research/ process/reject a case, add/delete a transaction, establish/delete an organization, create/assign/delete a manager, update a user profile, and view reports. The System Manager has access to the ASED report and Transferred Employee reports.

Other Role: Database Administrator (DBA)
Permission: DBAs perform maintenance, backups, and updates on the data in the database directly, without accessing the application.

Other Role: System Administrators (SA)
Permission: SAs perform maintenance on the production system without accessing the application.

Note: Developers/contractors do not have access to the application.

9. How is access to the data by a user determined and by whom?
Access to ATFR is authorized through the OL5081 process. Access to ATFR-AO is granted through creating a user profile for DI, IDRS, and ATFR. Therefore, access to ATFR-AO requires the user to file two OL5081s. Access to ATFR-CC is granted through creating a user profile for ATFR and requires the user to file one OL5081. At the application level, ATFR enforces assigned authorizations through role based access. The user roles within the ATFR-AO and ATFR-CC components are created based on a managed hierarchy. This allows for each user role to be monitored by a more supervisory role. The use of "superuser" privileges is limited to System Administrators and Database Administrators and all actions are audited. A "superuser" account has "root" access to the operating system, affording access to all system administration and security functions. Application developers (contractors) do not have access to the production system or production data.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.
ATFR stores and processes a subset of taxpayer information that is obtained from ICS, IDRS and transcript files from MF.

- ICS – The ATFR database receives a File Transfer Protocol (FTP) weekly from ICS. This file contains corporate TIN numbers for cases that have been flagged within the ICS system. A chron is set up to retrieve this information. (A chron is a necessary timed process done automatically by some chronological time.)
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- MF – MasterFile is a data repository of tax system records, located in Martinsburg. The ATFR database receives a FTP of Transcript files (Business and Individual Master Files).

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?

Integrated Data Retrieval System (IDRS)
- Certification &Accreditation (C&A)– May 11, 2006
- Privacy Impact Assessment (PIA) – March 23, 2006

Masterfile (IMF & BMF)
- Certification &Accreditation (C&A)– September 11, 2007
- Privacy Impact Assessment (PIA)
  - BMF– April 10, 2007
  - IMP– June 7, 2007

Integrated Collection System (ICS)
- Certification &Accreditation (C&A)– September 8, 2005
- Privacy Impact Assessment– March 3, 2008

12. Will other agencies provide, receive, or share data in any form with this system?
No. There are no International, Federal, State, or Local agencies that will share data or have access to data in ATFR.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?
All Automated Trust fund Recovery (ATFR) data is maintained on the ATFR database at ECC-MEM. There are no plans to eliminate ATFR case information at this time. ATFR Area Office segment of the application, which proposes the assessment was fully deployed nationwide October 2000. Procedures are documented in the IRM 5.7.6.6, Collections, regarding Collections Statute Expiration Date (CSED). IRM 5.7.6.6 (1) TFRP case files are maintained in the Control Point Monitoring unit in Technical Services - Advisory for two years after the assessment. After two years the files are sent to the Federal Records Center where they are destroyed 12 years after assessment (this allows for the CSED plus 2 years for the taxpayer to file a claim for refund (Exhibit 1.15.28-1, Item 41(c).

14. Will this system use technology in a new way?
No. ATFR does not use technology in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.
Yes. ATFR provides the capability to identify what companies or individuals have not paid their trust fund taxes to the IRS. ATFR employees send out forms and letters notifying the company or individuals of their delinquency in paying their trust fund assessment.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.
Yes. Cases are tracked to determine if companies and individuals have paid their trust fund taxes and whether there has been an address change. All users are required to utilize the OnLine 5081 process to gain access to ATFR. Only certain employees connected to the Trust Fund Recovery process are allowed access. The access is limited the users specific role. In addition the "touching" of, or any action taken on, an ATFR case by a user is recorded in the ATFR history.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?
ATFR does not affect the equitable treatment of taxpayers, employees, or others. The IRS has established the operational guidelines for the handling of taxpayer information. All potential TFRP cases will be downloaded and worked to their conclusion/disposition. Disclosure of returns and return information may be made only as provided by (1) Title 26 United States Code (U.S.C.) section 3406, and (2) Title 26 U.S.C. section 6103. All other existing policies, practices, and procedures (e.g., Unauthorized Access (UNAX)) continue to be enforced.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?
The AO component will use an internal process to calculate the amount of funds due including any associated TFRP. Once the responsible person(s) is/are identified, a form and letter (2751 and 1153) are sent to the responsible person(s) describing the proposed TFRP assessment. The responsible party may be Not Liable, Liable but Uncollectible (Nonasserted), or Fully/Partially Responsible.
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- If the responsible party protests, then the RO will send the protested proposal to Appeals and further decisions will be made by Appeals, and the RO will send a letter (1154) to the responsible party informing them that a protest was received and is being sent to Appeals for consideration.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?

ATFR does not use cookies. Web visitors are tracked by storing the ATFRUserProfile object in the HTTPSession.

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